

# Markets and Food Security towards 2030

Presentation to FEDIOL & COCERAL Conference,  
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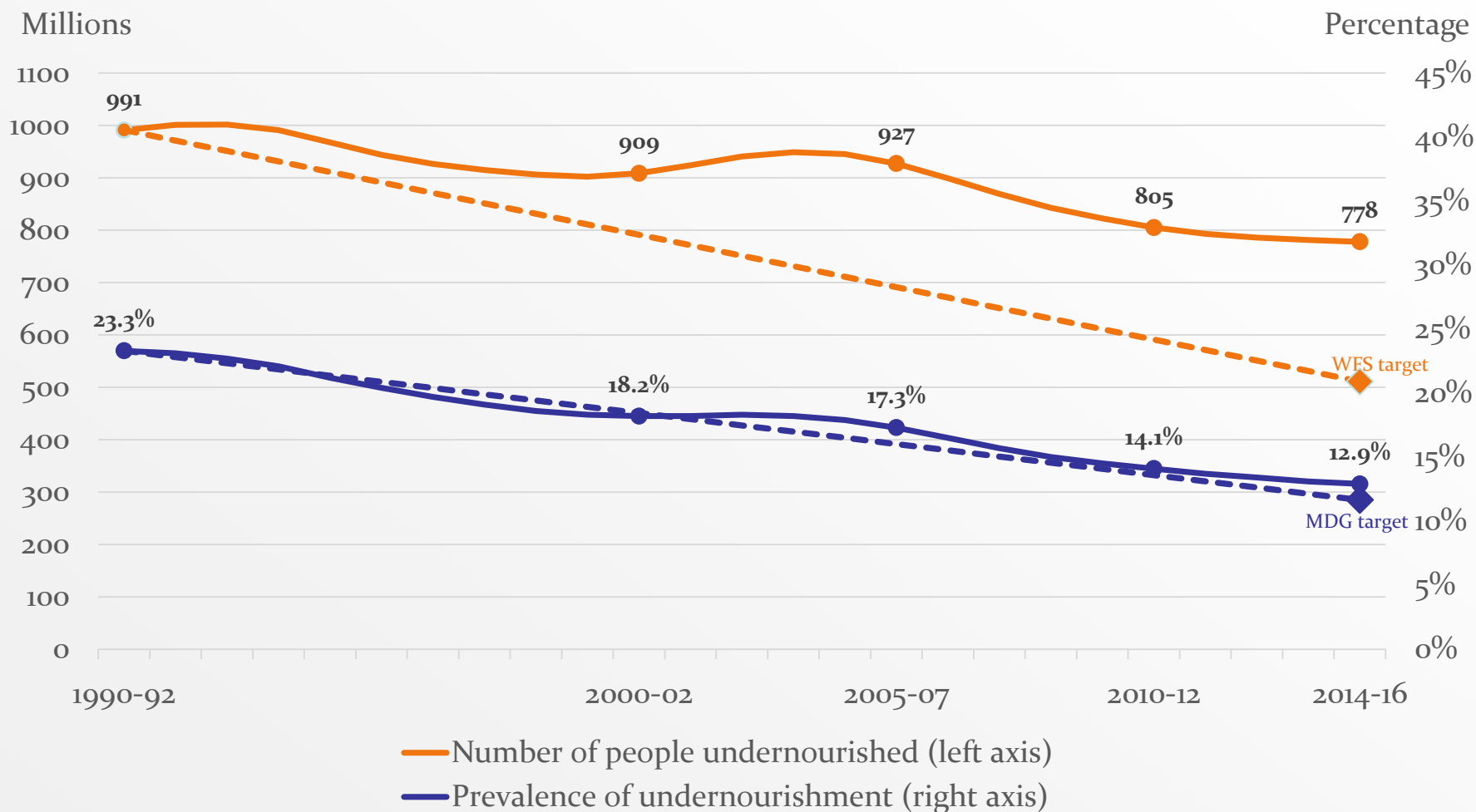
# Outline

- Food Security is FAO's first goal
- The role of markets and food security
- Undernourishment is changing but large gaps remain
- Market volatility and food security

# Food security targets

- Millennium Development Goals (2015)
  - 1<sup>st</sup> Target – halving % poverty/ food insecurity from 1990/91 to 2015
    - Results: 991 to 780 million/ 23.5% to 12.9%
    - MDG food insecurity target achieved in 72 of 129 countries monitored
- Sustainable Development Goals (2030)
  - 17 goals. The 2<sup>nd</sup> is “End hunger, improve food security and promote sustainable agriculture”

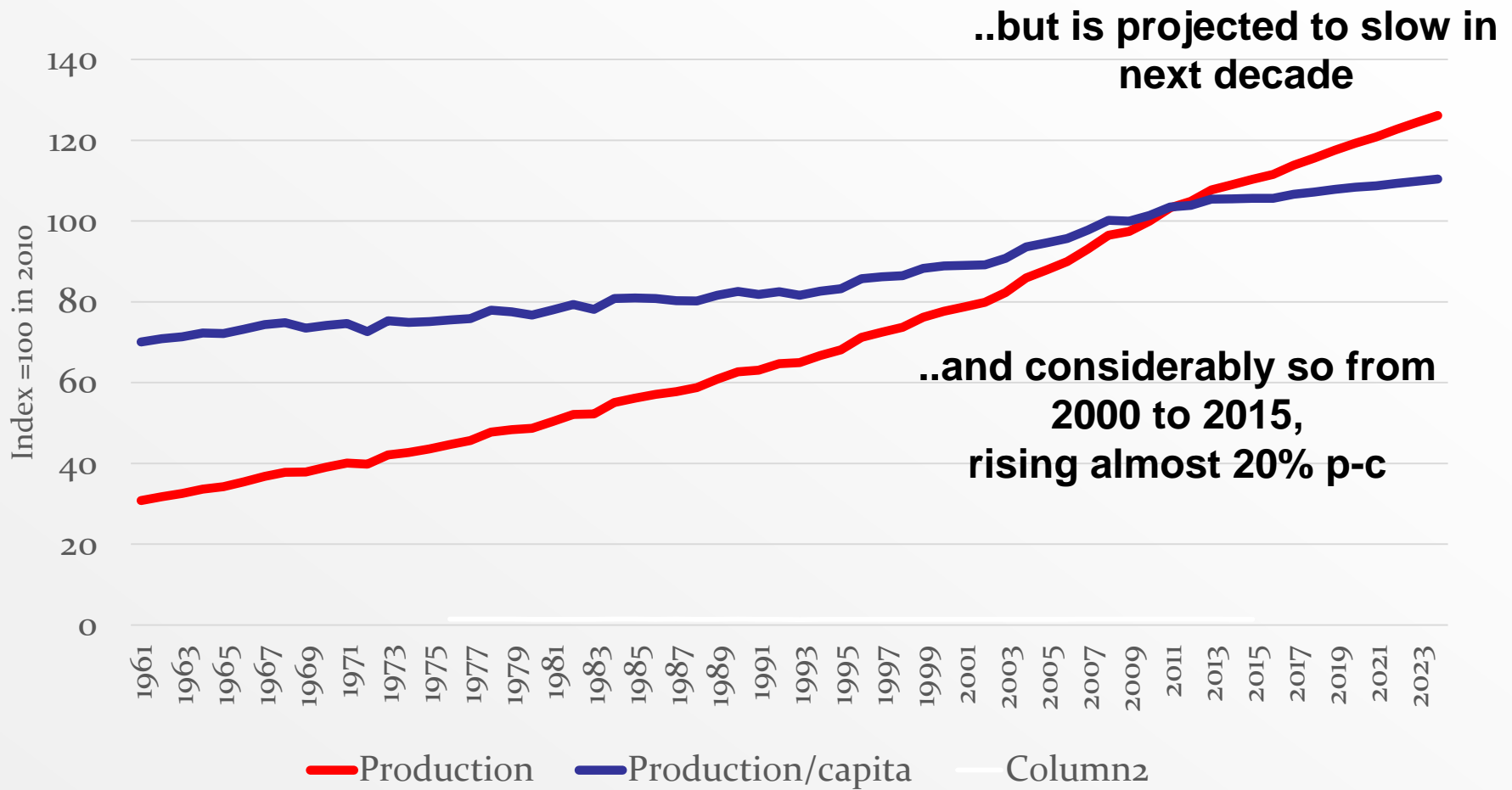
# MDG target was almost achieved, but reducing the number of hungry has been more difficult



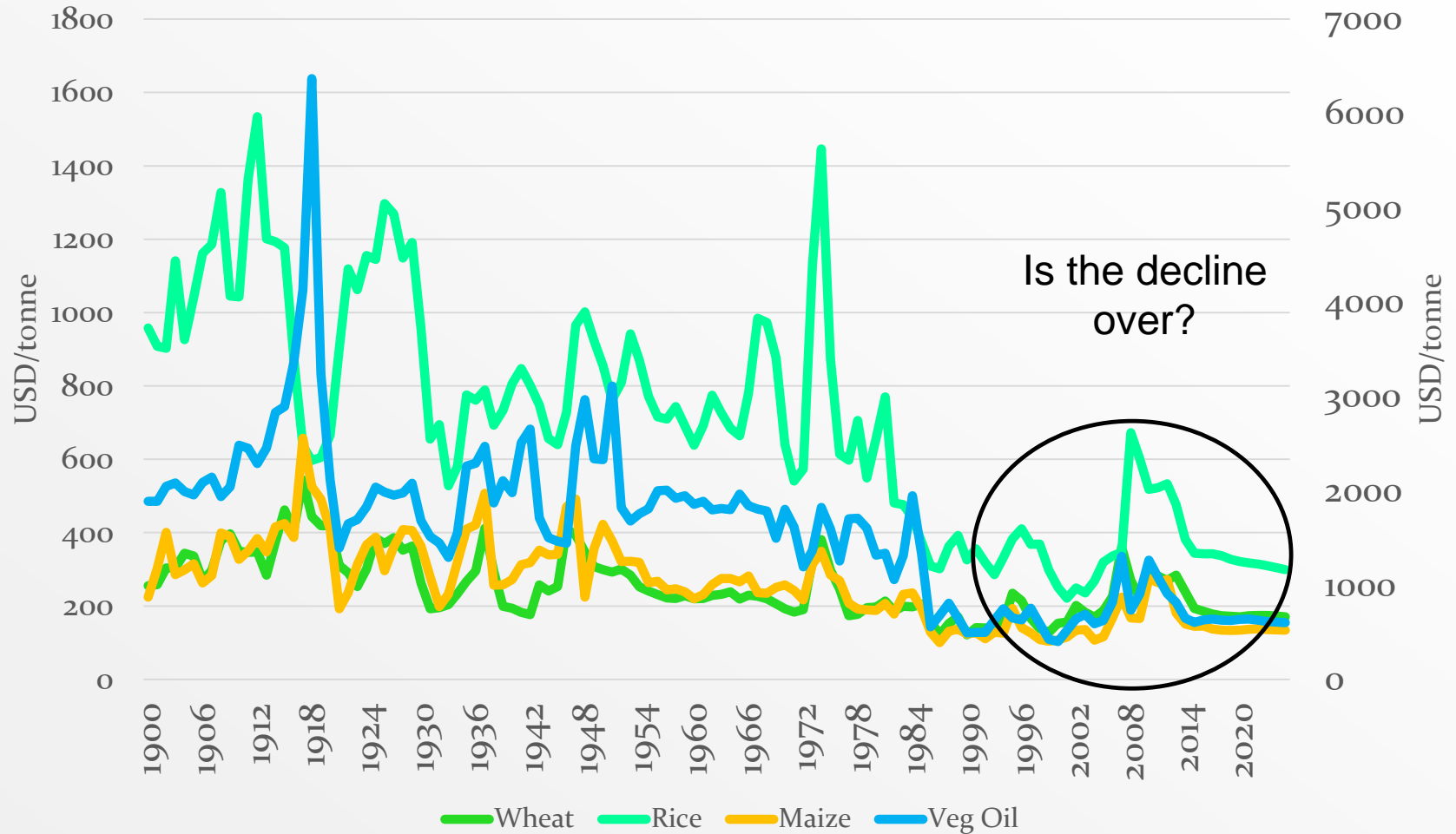
# What role do markets play in food security?

- Long term food production
  - Production has responded, and what constraints for the future?
- Consumption trends: calories and proteins
- At what cost/price is/will food be produced?
- What happens during market shocks like period 2007-14?
  - Will they repeat/increase?

# Global agricultural production outpaces population growth

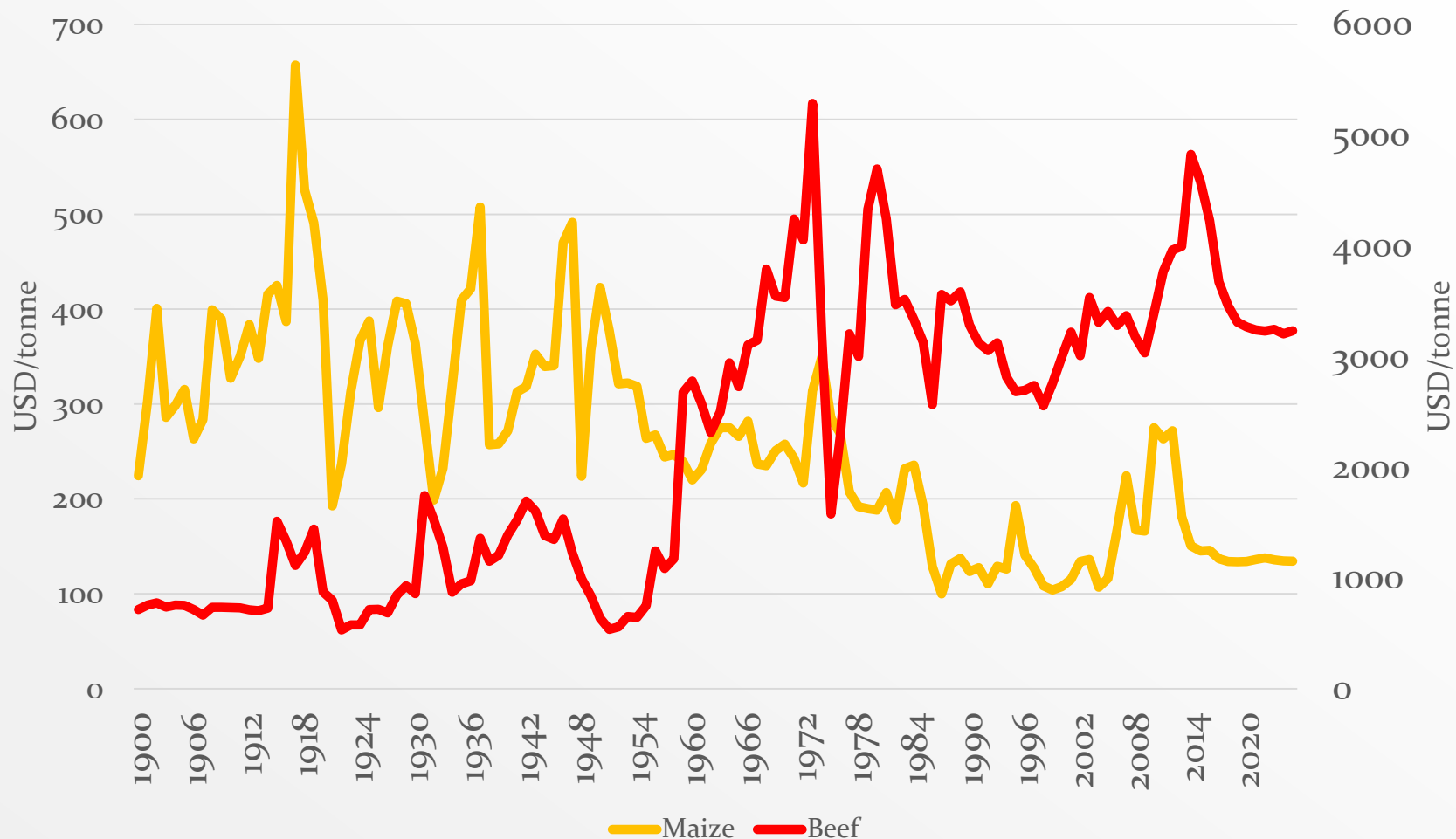


# Very long term cereal and veg. oil prices fall in real terms





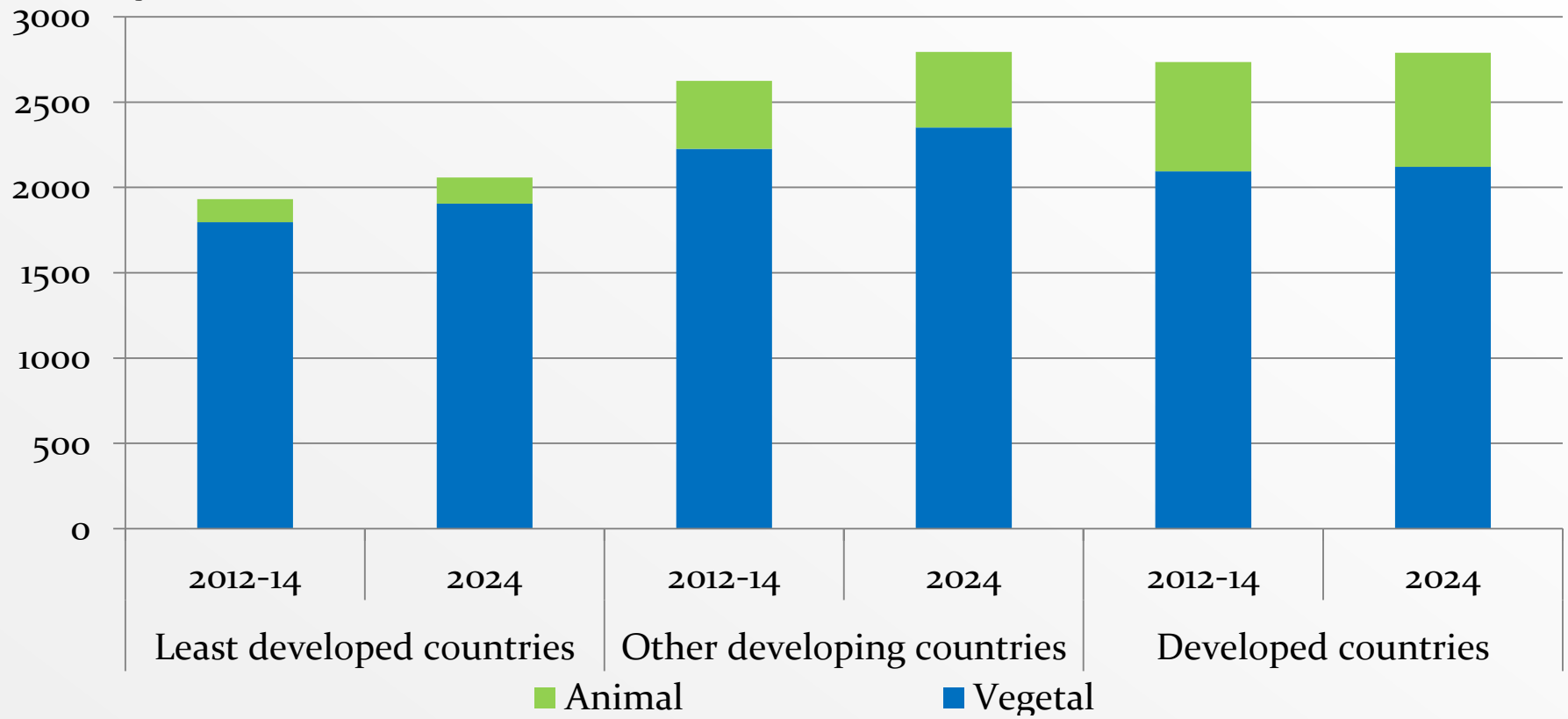
# Animal protein prices rise relative to cereals, restraining dietary change?



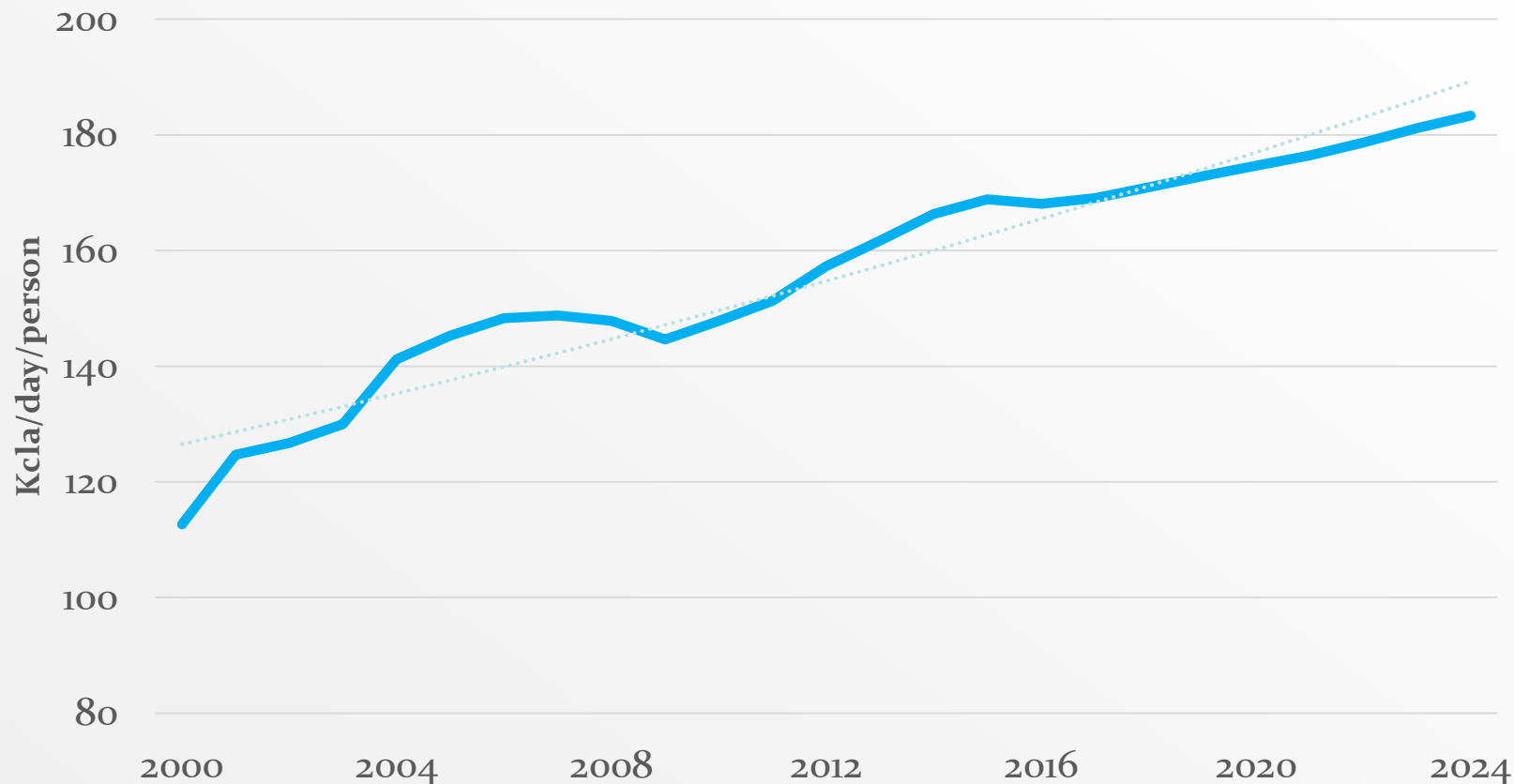


# Calorie intake is rising in developing countries, but stubbornly in LDCs

kcal/day/person

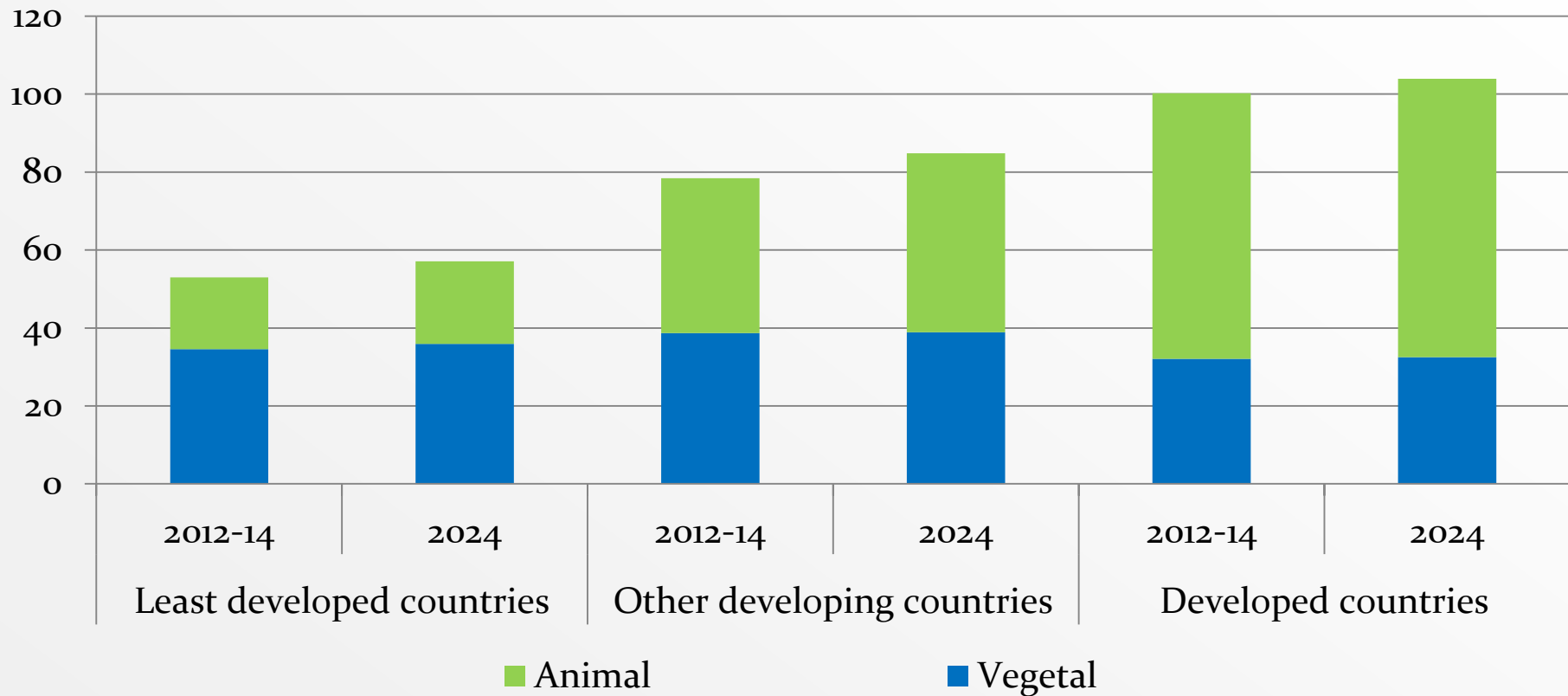


# Vegetable oil food consumption is globally one of the fastest growing source of calories



# Large gaps persist in protein intake, especially for animal proteins

g/day/person



■ Animal

■ Vegetal

# Market volatility and food insecurity?

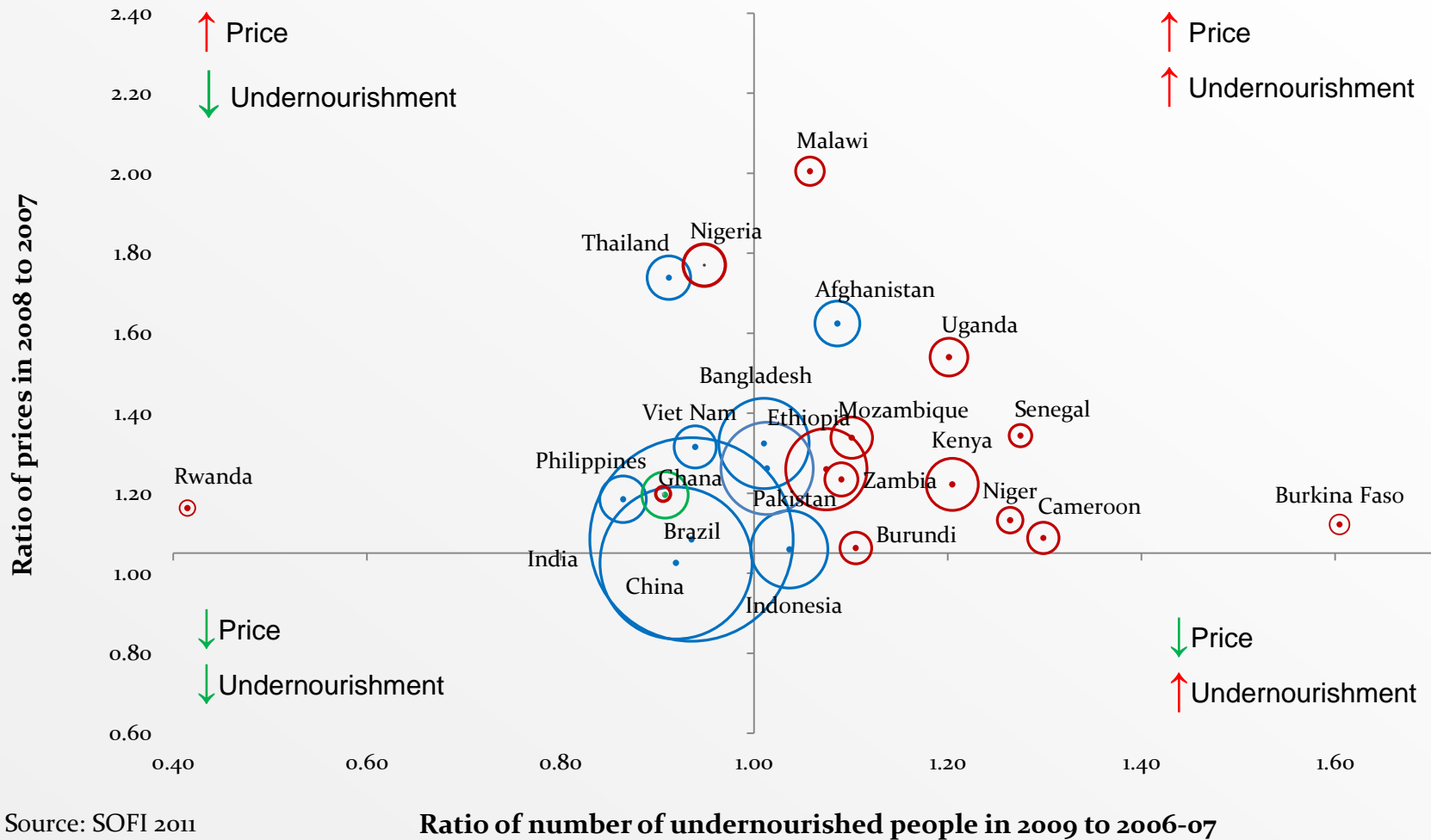
- High and volatile markets 2007-2014 created some panic about food insecurity
  - Riots in streets, immediate hunger concerns
  - Global policy attention that continues
  - raised wider questions about sustainability
  - Was not predicted/anticipated
- Was all the attention warranted?

# Deviation of real prices from trend



# Where prices impact hunger

## Differences in resilience to food price shocks across countries



Source: SOFI 2011

Ratio of number of undernourished people in 2009 to 2006-07

# Lessons from the period of high and volatile prices 2007-2014

- Price spikes happen, difficult to anticipate
  - made much worse by trade policies/panic reactions
- Price spikes affect food security
  - Evidence indicates that impact was less than feared
  - Price transmission is still low in many countries
  - Income effects to rural communities may be large
- Response of agricultural production has been large enough to bring prices back to long term trends
  - Markets do work
- There is much more to food security than market prices and agricultural production
  - Income distribution, civil strife, governance



# Conclusions

- Food security targets are an important means of focussing attention, and measuring progress
  - Ending hunger will take strong resolve
  - Oilseed/grain processing is at the centre of main trends in calories and protein
- Markets are working to match supply with demand changes – and have done well
- Market volatility can have serious impact on food security, but other factors may be as important

# Thank you for your attention

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